



UNIVERSITI PUTRA MALAYSIA

**ANXIETY AMONG RETIRING EMPLOYEES
IN THE WORKPLACE**

FARIDAH HANAM BINTI MOHD. RASHID

FPP 2000 10

**ANXIETY AMONG RETIRING EMPLOYEES
IN THE WORKPLACE**

By

FARIDAH HANAM BINTI MOHD. RASHID

**Thesis Submitted in Fulfilment of the Requirements for the Degree of Doctor of
Philosophy in The Faculty of Educational Studies
Universiti Putra Malaysia**

March 2000



Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirements for the degree of Doctor of Philosophy.

ANXIETY AMONG RETIRING EMPLOYEES IN THE WORKPLACE

By

FARIDAH HANAM MOHD. RASHID

March 2000

Chairman: Y.M. Dr. Raja Ahmad Tajuddin Shah Raja Abdul Rashid

Faculty: Educational Studies

Retiring employees are facing problems during the transition period from work to retirement. The loss of job roles, financial insecurity, poor health, dissatisfaction in life, loss of social support and self-esteem as a result of retirement were among the factors that lead to the feelings of anxiety among retiring employees. The purpose of the study was to examine the factors that influence anxiety among retiring employees undergoing transition from work to retirement and to identify the levels of anxiety among employees of different occupational status and gender. Since work performance is an important factor in an organization, the study also examined the relationship between anxiety and the employee's performance in the workplace.

A sample size of 238 respondents was obtained from a population of 610 retiring employees of 14 agencies under the Ministry of Agriculture and Ministry of Rural Development of Malaysia. A self-administered questionnaire was used as a mode of data collection. All instruments used in the hypotheses testing were adapted from previously developed instruments, except the one for the variable performance which was constructed by the researcher. Reliability, Frequencies, Pearson's Product Moment Correlation, t – test and Multiple Regression Analysis were used in the analysis.

The findings indicated that financial insecurity, life satisfaction and social support were negatively related to pre-retirement anxiety. No significant relationships were found between anxiety and health status, self-esteem, the loss of work role and performance. The study also indicated that there was no significant difference in anxiety between higher and lower occupational status, as well as between male and female employees. Financial insecurity, health status, life satisfaction, self-esteem, loss of work role and social support contributed to the variation in anxiety.

The study facilitated an insight into explaining pre-retirement anxiety and retirement phenomenon of government employees in the agricultural sector. In general, the Pre-retirement Transition and Anxiety Model does not fully reflect the retirement phenomenon in the Malaysian scenario. Retirement is seen as a more positive event. Many of the retirement theories in the western scenario does not apply in the Malaysian government sector. The importance of retirement preparation programs to prepare retiring employees during transition from work to retirement as

proposed in the literature was strongly supported. The findings of the study would probably reshape the mandatory retirement policy of the public sector.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Kedoktoran Falsafah.

**KEBIMBANGAN DI KALANGAN BAKAL PESARA KERAJAAN
DITEMPAT KERJA.**

Oleh

FARIDAH HANAM MOHD. RASHID

March 2000

Pengerusi: Y.M. Dr. Raja Ahmad Tajuddin Shah Raja Abdul Rashid

Fakulti: Pengajian Pendidikan

Bakal–bakal pesara menghadapi berbagai masalah dalam masa transisi daripada alam pekerjaan kepada alam persaraan. Kehilangan peranan dalam pekerjaan, ketidakkekukuan status kewangan, status kesihatan yang rendah, ketidakpuasan dalam kehidupan, kehilangan sokongan sosial dan penghargaan sendiri adalah diantara faktor-faktor yang menyebabkan kebimbangan dikalangan bakal-bakal pesara.

Kajian ini bertujuan untuk mengkaji faktor-faktor yang mempengaruhi kebimbangan dikalangan bakal-bakal pesara yang sedang melalui transisi daripada alam pekerjaan kepada alam persaraan dan mengenalpasti perbezaan tahap kebimbangan diantara pekerja yang mempunyai kedudukan jawatan tinggi dan rendah, dan juga diantara pekerja lelaki dan wanita. Oleh kerana prestasi seseorang pekerja

merupakan sumbangan yang penting terhadap organisasi, kajian ini juga melihat perkaitan diantara tahap kebimbangan dengan prestasi kerja bakal pesara.

Saiz sampel seramai 238 responden dipilih secara random daripada populasi 610 orang bakal pesara 14 agensi kerajaan di bawah Kementerian Pertanian dan Kementerian Pembangunan Luar Bandar. Soalselidik secara urus-sendiri telah digunakan sebagai kaedah pengumpulan data. Kesemua instrumen yang digunakan dalam pengujian hipotesis merupakan adaptasi daripada instrumen yang telah dibentuk sebelumnya melainkan instrumen yang mengukur prestasi kerja yang telah dibentuk oleh pengkaji sendiri. Ujian reliabiliti, frekuensi, korelasi *Pearson's Product Moments*, ujian t, dan regresi berganda telah digunakan untuk menganalisis data.

Hasil kajian ini mendapati ketidakkukuhan status kewangan, kepuasan dalam kehidupan dan sokongan sosial mempunyai perkaitan negatif yang signifikan dengan tahap kebimbangan. Tidak terdapat perkaitan yang signifikan diantara tahap kebimbangan dengan status kesihatan, penghargaan sendiri, kehilangan peranan dalam pekerjaan dan prestasi kerja. Kajian ini juga mendapati tidak terdapat perbezaan yang signifikan dari segi tahap kebimbangan diantara bakal pesara yang mempunyai status jawatan tinggi dan rendah dan juga diantara bakal pesara lelaki dan wanita. Ketidakkukuhan status kewangan, status kesihatan, kepuasan hidup, penghargaan sendiri, kehilangan peranan, dan sokongan sosial menyumbang kepada variasi kebimbangan.

Kajian ini dapat membantu memberi kefahaman yang lebih berkesan untuk meneroka kebimbangan sebelum persaraan dan fenomena persaraan. Pada amnya

model *Pra-retirement Transition and Anxiety* tidak menggambarkan sepenuhnya fenomena persaraan di Malaysia. Persaraan dilihat sebagai satu *event* yang lebih positif. Kebanyakan daripada teori-teori persaraan daripada negara barat tidak menggambarkan situasi sebenar persaraan didalam perkhidmatan awam di Malaysia. Kepentingan program pra-persaraan untuk membantu pesara dalam masa transisi daripada alam pekerjaan kepada alam persaraan, sebagaimana yang disarankan oleh pengkaji-pengkaji yang lepas sangat dipersetujui dalam kajian ini. Hasil kajian ini berkemungkinan boleh mengubah polisi persaraan wajib di dalam sektor awam.

ACKNOWLEDGEMENTS

My first notes of appreciation go to Allah (SWT) for the opportunity to pursue my doctoral degree. Most importantly, I am thankful to Allah (SWT) for enlightening and strengthening my spiritual self in the midst of constant tribulations in the pursuit of excellence. I offer my thanks to the Public Services Department of Malaysia (JPA) for providing me the financial support and to my employer, RISDA (Rubber Industry Smallholders Development Authority) for granting me the study leave throughout the whole program.

I wish to extend my gratitude to Y.M. Dr. Raja Ahmad Tajuddin Shah Raja Abd. Rashid, as the chairman of my doctoral committee for his counsel, guidance and encouragement throughout the course of my program. The committee members: Associate Professor. Dr. Saidin Teh, Dr. Bahaman Abu Samah, and Dr. Asma Ahmad especially on their inspiring advice on the contents of the thesis, the statistics, their patience and their constructive evaluation and for always being there when I needed them for their comments and suggestions.

I am especially grateful also to Dr. Jegak Uli. Dr. Saodah Wok, Dr. Jamilah Othman, Professor Dr. Rahim Sail, Associate Professor Dr. Mazanah Muhammad, Associate Professor Dr. Aminah Ahmad, Dato` Dr. Mohd. Nasir Ismail for their moral encouragement and assistance throughout my study. The Department staff, Puan Norizan Abu Bakar, Pn. NorHasiah Hashim and En. Razi, my sincere thanks for

helping me with the administrative arrangements. I would also like to acknowledge the interaction I had with fellow students, Junaidah Hashim, Chin Yook Kong, Abd. Razak Hussin, Jane A. Saludadez, Phang Sce Hwai; and their encouragement which indeed appreciated.

My appreciation is also directed to the Human Resource Managers of all the agencies involved in the study – The Ministry of Agriculture, The Ministry of Rural Development, The Department of Agriculture, The Rubber Industry Smallholders Development Authority (RISDA), The Drainage and Irrigation Department, The Malaysian Agricultural Research Development Institute (MARDI), The Department of Veterinary Services, The Farmers Organization Authority (FOA), The Federal Land Development Authority (FELDA), The Federal Land Consolidation and Rehabilitation Authority (FELCRA) , The Fishery Department, The Community Development Department (KEMAS), The Federal Agricultural and Marketing Authority (FAMA), and The National Hydraulic Research Institute of Malaysia (NAHRIM), specially for granting me the permission to conduct the survey and the staff and workers for their support and cooperation during the interview and survey.

I am also very thankful to the members of the Psychological Services Division of The Public Services Department of Malaysia for their assistance in developing the instrument of the study. The President and the Honorable Secretary of The Senior RISDA Officers' Union for their ever willing helping hand, concern useful comments and suggestions.

Finally I am very grateful to my husband Ismail Alias for his love, assistance, and support; and also to my children, Azrai, Muhammad Ramadhan, and Haizun Athirah for their patience in enduring the time I spent to complete this program, and to provide the learning experiences of managing family effectively.

I certify that an Examination Committee met on 9 March, 2000 to conduct the final examination of Faridah Hanam Binti Mohd Rashid on her Doctor of Philosophy thesis entitled "Anxiety Among Retiring Employees in the Workplace", in accordance with Universiti Pertanian Malaysia (Higher Degree) Act 1980 and Universiti Pertanian Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the relevant degree. Members of the Examination Committee are as follows:

MAIMUNAH ISMAIL, PH.D.
Associate Professor
Faculty of Educational Studies
Universiti Putra Malaysia
(Chairman)

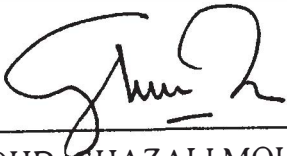
Y.M. RAJA AHMAD TAJUDDIN SHAH RAJA ABDUL RASHID, PH.D.
Head
Department of Agricultural Technology
Faculty of Agriculture
Universiti Putra Malaysia
(Member)

SAIDIN TEH, PH. D.
Associate Professor
Faculty of Educational Studies
Universiti Putra Malaysia
(Member)

BAHAMAN ABU SAMAH, PH.D.
Lecturer
Faculty of Educational Studies
Universiti Putra Malaysia
(Member)


ASMA AHMAD, PH.D.
Lecturer
Faculty of Educational Studies
Universiti Putra Malaysia
(Member)

KAREN E. WATKINS, PH.D.
Professor
Department of Adult Education
The University of Georgia
Athens, U.S.A.
(External Examiner)


MOHD. GHAZALI MOHAYIDIN, Ph.D.
Professor/Deputy Dean of Graduate School

Date: **29 MAY 2000**

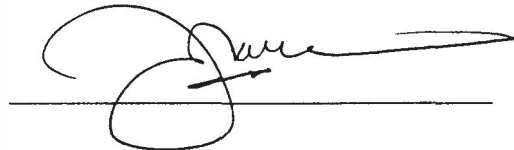
This thesis was submitted to the Senate of Universiti Putra Malaysia and was accepted as fulfilment of the requirements for the degree of Doctor of Philosophy


KAMIS AWANG, PH.D.
Associate Professor,
Dean of Graduate School
Universiti Putra Malaysia

Date: 13 JUL 2000

DECLARATION

I hereby declare that the thesis is based on my original work except for the quotations and citation which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at UPM or other institutions.

A handwritten signature in black ink, consisting of a large, stylized 'F' followed by a series of loops and a long horizontal stroke, positioned above a solid horizontal line.

FARIDAH HANAM MOHD. RASHID

Date: **30 MAY 2000**

TABLE OF CONTENTS

	Page
ABSTRACT	ii
ABSTRAK	v
ACKNOWLEDGEMENTS	viii
APPROVAL SHEETS	xi
DECLARATION FORM	xiii
LIST OF TABLES	xviii
LIST OF FIGURES	xix
LIST OF ABBREVIATIONS	xx
CHAPTER	
I INTRODUCTION	1
Background of the study	6
Statement of Problem	19
Research Questions	22
Objective	23
Specific Objectives	23
Significance of Study	24
Assumptions	26
Scope of the Study	28
Limitations of the Study	29
Operational Definition of Terms	32
II REVIEW OF LITERATURE	36
Anxiety	37
Conceptual Issues of Anxiety	37

Components of Anxiety	40
Related Theories of Anxiety	41
Concept of Anxiety in Relation with Retirement	43
Retirement	45
Evolution of Retirement.....	46
Concept of Retirement	46
Retirement Institution.....	50
Related Theories of Retirement	51
Retirement from the Gender Perspective	56
Theory of Transition	59
Retirement Transition.....	62
Human Resource Development (HRD) and Retirement.....	63
The Concept of Human Resources.....	65
Career Development	66
Performance	68
Literature Review Focus.....	72
Theoretical and Conceptual Framework.....	90
Research Hypotheses	98
 III METHODS AND PROCEDURES.....	 99
Introduction	99
Locality of the Study	99
Population and Sampling Procedure.....	100
Pre-Testing of Research Instrument.....	104
Research Instrumentation	106
Levels of Anxiety.....	106
Factors Influencing Anxiety	107
Performance.....	110
Validity and Reliability	111
Data Collection	112
Data Analysis	114
 IV FINDINGS AND DISCUSSION.....	 117
Profile of Respondents	117
Employment Grade	117
Gender	119
Ethnic Group	119
Marital Status	120
Educational Level	120
Respondents' view on when they start to think about retirement	122

Distance from Mandatory Retirement	123
Respondents' Levels of Anxiety, Financial Status, Health Status, Psychological Factors, Role Loss, Social Support and Performance	124
Levels of Anxiety	124
Levels of Financial Status	127
Levels of Health Status	129
Levels of Psychological Factors	130
Levels of Self-esteem	130
Levels of Life-Satisfaction	132
Levels of Role Loss	133
Levels of Social Support	135
Levels of Performance	136
Relationship Between Anxiety and the Research Variables	139
Anxiety and Financial Status	140
Anxiety and Health Status	142
Anxiety and Self-esteem	144
Anxiety and Life Satisfaction	147
Anxiety and Role Loss	148
Anxiety and Social Support	151
Relationship Between Anxiety and Performance	153
Levels of Anxiety between Employment Grades and Gender	156
Levels of Anxiety between Employment Grades	157
Levels of Anxiety between Gender	159
The Contribution of Research Variables in Predicting Anxiety	162

V. CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS	164
Conclusions	165
Concluding Statements	165
I The Pre-retirement Transition and Anxiety Model does not Fully Reflect the Retirement Phenomenon in the Malaysian Scenario	166
II Retirement is seen as a More Positive Event as Pre-retirement Anxiety does not Affect the Performance, Self-esteem, Health Status and the Loss of Work Role of the Retiring Government Employees in the Agriculture Sector	169

III.Assumptions Underlying Many of the Retirement Theories	
Linking Retirement to Aging does not apply in the	
Malaysian Scenario where Anxiety Experienced by Relatively	
Younger Retiring Employees did not Relate to Many of the	
Explanatory Factors that were Normally Linked to Aging and	
Retirement.....	171
IV.Retirement Preparation is an important Human Resource	
Development Program that can assist Retiring Employees by	
Providing Knowledge on Financial and Social Aspect,	
Psychological Changes and other Challenges they are going	
to Face such as Reentering the Workforce as a Second Career	
Option, besides Reducing the Feelings of Anxiety.....	172
Implications	174
Theoretical Implications	174
Design Implications	177
Policy and Practical Implications	178
Recommendations	179
Recommendations for Personnel Policy and Management	179
Recommendations for Future Research	187
BIBLIOGRAPHY	190
APPENDICES.....	
A Conversion of Total Raw Anxiety to Sten.....	204
B Questionnaire in English.....	206
C Questionnaire in Bahasa Malaysia	221
D Sample of Introduction Letter to the	
Selected Agencies.....	237
VITA.....	239

LIST OF TABLES

	TABLES	PAGE
1.	Distribution of Respondents Selected According to Agencies ..	103
2.	Reliability Coefficient of Variables	113
3.	Percentage Distribution of Respondents by Demographic Characteristics	118
4.	Percentage Distribution of Respondents by Raw Anxiety Score..	124
5	Percentage Distribution of Respondents by Anxiety Level ...	126
6	Percentage Distribution of Respondents by Financial Status ...	127
7.	Percentage Distribution of Respondents by Health Status ...	129
8.	Percentage Distribution of Respondents by Self-esteem	131
9.	Percentage Distribution of Respondents by Life Satisfaction...	132
10.	Percentage Distribution of Respondents by Role Loss	133
11.	Percentage Distribution of Respondents by Social Support	135
12.	Percentage Distribution of Respondents by Performance.....	137
13.	Summary of and the Correlation Between Anxiety and the Variables of the Study.....	139
14	Independent T – Test of Anxiety and Employment Grade And Gender	156
15.	Multiple Regression Analysis: Predictors of Anxiety	163



LIST OF FIGURES

FIGURE	PAGE
1 Retirement Transition	61
2 The Transition Model	91
3 The Relationship Between Anxiety and Performance	93
4 Theoretical Model of Pre-Retirement Transition and Anxiety	96
5. Theoretical Framework of Pre-Retirement Transition and Anxiety.....	97
6. The Theoretical Model of Pre-Retirement Transition and Anxiety for the Government Sector in Malaysia.....	168

LIST OF ABBREVIATIONS

RISDA	Rubber Industry Smallholders Development Authority
MARDI	Malaysian Agricultural Research Development Institute
FOA	The Farmers Organization Authority
FELDA	The Federal Land Development Authority
FELCRA	The Federal Land Consolidation and Rehabilitation Authority
KEMAS	The Community Development Department
FAMA	The Federal Agricultural and Marketing Authority
NAHRIM	The National Hydraulic Research Institute of Malaysia
IPAT	Institute of Personality and Ability Testing
HRD	Human Resource Development
CEUPACS	Congress of Union of Employees of the Public and Civil Service
MTUC	Malaysian Trade Union Congress

CHAPTER I

INTRODUCTION

Retirement refers primarily to the final phase of the occupational life cycle. It is a period following a career of employment in which responsibilities and opportunities of the job are normally at a minimum. Retirement from work might be seen as a two-edged sword. On the one hand, it provides time to do what people do not have the opportunity to do when they were working, such as, travelling, or pursuing leisure activities. On the other hand, it disrupts one's daily routines, reduces income, ends the identification and status provided by the role of a worker, and also poses the problem of filling in all that leisure time with meaningful activities (Thorson, 1995).

People had been having difficulty redefining themselves from full time workers to full time retirees. Thorson (1995) argued that many were seemingly reluctant to step out of their occupational roles that had been highly desirable for them and from which they derived their status and satisfaction. Although many workers eagerly anticipated retirement, but losing occupational roles and status can be traumatic (Girdano and Everly, 1986). Moreover to fill up all the leisure time with worthwhile things may be difficult because of a vague understanding of the retirement role.

In Malaysia, retirees will be a major component of the aging society. It is estimated that in the year 2000, the total aging population (more than 55 years) will

exceed 2 million people which in turn make up approximately 10 percent of the total population of the country (Jabatan Perangkaan Malaysia, 1991). They would certainly have some impacts on the development of the nation.

The increase in the life span of the population implies that a person will spend more years in retirement. A male worker having a life span of 68 years will spend 13 years of his life in retirement while a female worker with 72 years of life span is estimated to spend 17 years of her life in retirement. This period is increasing every year until a point is reached where an older person will spend about 20 percent of his/her life in retirement which translates to anywhere from 10 to 30 years of retirement (Dennis, 1989, cited in Hays, 1994). Dennis noted that when the amount of time from the end of one's career to death could be counted in months, living the good life was a reasonable and highly desirable expectation. But 10 to 30 years of uncertainties may weigh heavily, psychologically on a retiree.

The question is, does an increase of one's age in life spent during retirement imply an increase in one's quality of life? Will the retiree lead a meaningful life and still play a role in the society and contribute to the country as a whole?

There are two stages of time period that should be stressed in dealing with retirement issue, namely, the pre-retirement stage and the post-retirement period. The pre-retirement period mainly involves the relationship with the employer, co-workers and the organization as a whole. The post-retirement period involves the relationship between the retiree and his/her family and the society as whole. The pre-retirement stage somehow or rather does have some effects on the post-retirement period. This is a vital issue that should be addressed upon by individuals in the society and the government itself because as an event in life, all employees will undergo the

retirement transition period whether they like it or not. It is just a matter of time. The society's well being is the responsibility of everyone in Malaysia.

During the transition stage from work to retirement, retiring employees particularly the government employees encounter various difficulties and problems that might make them feel anxious and stressful when approaching retirement. The anxiety experienced by the retiring employees during the pre-retirement transition period would probably have some effect on their performance in the workplace. It has been reported that, there was an age-related decline in technical job performance (Charness, 1985). The decline in performance was not exactly due to retirement but more of the age factor. In a country like Malaysia, the mandatory retirement age for government employees is 55 years, which is relatively younger when compared to other western countries, as well Asian countries, where the retirement age is 65 or more. At the age of 55, a high percentage of the employees strongly believed that they were healthy and could still perform, and in fact they suggested that the age of 60 is a more appropriate mandatory retirement age (Chien, 1990).

One can go through the transition process with ease and the process itself can be smoothen by having made enough preparation before retirement (Atchley, 1976; 1977; 1988; Dennis, 1984; and Richardson, 1993). Thus, it is the responsibility of the organization or the employer to plan pre-retirement program to assist retiring employees to go through the transition period to retirement.

There are retirees who could not afford to live comfortably within their means and maintain their standard of living with the major problem being financial instability. Apart from the economic problem, retirees also face various problems in terms of their health condition, the loss of their status, loss of work roles, lack of

recognition, reduction of self-image, the feeling of loneliness, and disruption of routines. The loss will have an effect on the psychology which involves emotional stress, which in turn affect the behavior, minds, and social relationships (Weir, 1968; and Ryes, 1980).

The issue of retirement stress was further emphasized by Phillipson (1990). He believed that as jobs are the central focus for employees, and in a culture which values work, retirement is seen as a problem, and a source of tension for individuals (Phillipson, 1990). He argued that there are people who have suffered stress after compulsory retirement because retirement results in loss of jobs and thus loss of meaningful life.

Retirement is an important event in the life of an employee and the individual needs to prepare himself/herself during the transition period. Life does not stop with retirement and in fact life continues on. To go on living is to undergo a series of actions and a sequence of changes whereby individuals have to adjust themselves with such changes (Oatley, 1990).

Retiring employees are important organization assets. As they are the people in the organization, the concept of human resource developments applies. The term human resource development is related to the development of people within the organization. Human resource development provides individual development focussed on performance improvement related to a current job and provides career development focussed on performance improvement related to future job assignments. It also provides organizational development that results in both optimal utilization of human potential and improved human performance, which together improves the efficiency of the organization (Gilley and Eggland, 1989).